

Department of Social and Health Services

DP Code/Title: M2-9H FMAP Match Adjustment

Agency Wide

There are 8 Programs in this DP

Budget Period: 2003-05 Version: ZW temp roll up as of 11-12 for rpt

**Recommendation Summary Text:**

Program(s): 010 020 030 040 050 060 070 080

This decision package reflects a temporary adjustment in the state and federal Title XIX match rates for Medicaid services.

Congress recently adopted Public Law No: 108-27 that impacts the Federal Medical Assistance Percentage (FMAP) for certain services in the state of Washington. Statewide result number 5.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	(108,676,000)	0	(108,676,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	127,331,000	0	127,331,000
03C-1 Emer Med Ser/Trauma Care Sys Trust-State	(496,000)	0	(496,000)
760-1 Health Services Account-State	(17,907,000)	0	(17,907,000)
<b>Total Cost</b>	<b>252,000</b>	<b>0</b>	<b>252,000</b>

**Staffing**

**Package Description:**

Program(s): 010 020 030 040 050 060 070 080

Public Law No: 108-27, Jobs and Growth Tax Relief Reconciliation Act (TRRA) of 2003, was signed into law on May 28, 2003. This law allows Washington to claim an enhanced match of 2.95 percent for certain Title XIX Medicaid services claimed during the period April 1, 2003 through June 30, 2004. TRRA also allows Washington to use the Federal Fiscal Year 2002 FMAP for the last two quarters of Federal Fiscal Year 2003 (April 1, 2003 through September 30, 2003) if the Federal Fiscal Year 2002 FMAP was greater than the Federal Fiscal Year 2003 rate. Thus, Washington can use its 50.37 percent Federal Fiscal Year 2002 FMAP plus 2.95 percent resulting in the effective FMAP rate for Washington of 53.32 percent until September 30, 2003 and 52.95 percent from October 1, 2003 through June 30, 2004.

This law places restrictions on services that can receive the enhanced match rate. No enhancement is available for Medicaid disproportionate share hospital (DSH) payments, or for expenditures currently receiving enhanced match such as family planning, Medicaid coverage for women with breast and cervical cancer, and services to members of federally recognized Indian tribes. The enhanced rate does not apply to Title IV.

The FMAP change results in a net zero impact to the Department of Social and Health Services (DSHS). DSHS provides pass through federal Title XIX Assistance matched at the FMAP to the Office of the Superintendent for Public Instruction and they provide the state match.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Program(s): 010 020 030 040 050 060 070 080

This decision package has no impact on the agency's strategic plan.

***Performance Measure Detail***

**Goal: 01Z DSHS Accounts for Its Use of Public Dollars**

**Incremental Changes**

No measures submitted for package  
No measures submitted for package  
No measures submitted for package

FY 1

FY 2

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***Reason for change:***

**Program(s): 010 020 030 040 050 060 070 080**

To implement recently passed federal legislation.

***Impact on clients and services:***

**Program(s): 010 020 030 040 050 060 070 080**

This change will have no impact on agency clients or services provided.

***Impact on other state programs:***

**Program(s): 010 020 030 040 050 060 070 080**

None

***Relationship to capital budget:***

**Program(s): 010 020 030 040 050 060 070 080**

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

**Program(s): 010 020 030 040 050 060 070 080**

Agency contracts with funding specific provisions are being reviewed. As a result, not all agency FMAP Title XIX assistance services are included in this estimate.

***Alternatives explored by agency:***

**Program(s): 010 020 030 040 050 060 070 080**

None

***Budget impacts in future biennia:***

**Program(s): 010 020 030 040 050 060 070 080**

There will be no impact in future biennia.

***Distinction between one-time and ongoing costs:***

**Program(s): 010 020 030 040 050 060 070 080**

This is a one-time, time limited change.

***Effects of non-funding:***

**Program(s): 010 020 030 040 050 060 070 080**

This temporary law change allows the department to earn more federal dollars and spend less state funds for the same services currently provided.

***Expenditure Calculations and Assumptions:***

**Program(s): 010 020 030 040 050 060 070 080**

See attachment - AW M2-9H FMAP Match Adjustment.xls

**Object Detail**

**Overall Funding**

N Grants, Benefits & Client Services

**FY 1**

252,000

**FY 2**

0

**Total**

252,000

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**DSHS Source Code Detail**

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	(108,676,000)	0	(108,676,000)
<i>Total for Fund 001-1</i>		<b>(108,676,000)</b>	<b>0</b>	<b>(108,676,000)</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	127,331,000	0	127,331,000
<i>Total for Fund 001-C</i>		<b>127,331,000</b>	<b>0</b>	<b>127,331,000</b>
<b>Fund 03C-1, Emer Med Ser/Trauma Care Sys Trust-State</b>				
<u>Sources</u>	<u>Title</u>			
03C1	State Emergency Medical Services/Trauma	(496,000)	0	(496,000)
<i>Total for Fund 03C-1</i>		<b>(496,000)</b>	<b>0</b>	<b>(496,000)</b>
<b>Fund 760-1, Health Services Account-State</b>				
<u>Sources</u>	<u>Title</u>			
7601	Health Services Account	(17,907,000)	0	(17,907,000)
<i>Total for Fund 760-1</i>		<b>(17,907,000)</b>	<b>0</b>	<b>(17,907,000)</b>
<b>Total Overall Funding</b>		<b>252,000</b>	<b>0</b>	<b>252,000</b>

**Funding Totals by Program**

Dollars in Thousands

<u>Program</u>	<u>FTE's</u>		<u>GF-State</u>		<u>Total Funds</u>	
	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>
010 Children's Administration	0.0	0.0	(2,199)	0	0	0
020 Juvenile Rehabilitatn Admin	0.0	0.0	(186)	0	0	0
030 Mental Health	0.0	0.0	(8,111)	0	0	0
040 Div of Developmntl Disab	0.0	0.0	(15,327)	0	0	0
050 Long Term Care Services	0.0	0.0	(27,703)	0	0	0
060 Economic Services Admin	0.0	0.0	0	0	0	0
070 Div of Alc/Substnce Abuse	0.0	0.0	(429)	0	0	0
080 Medical Assistance	0.0	0.0	(54,721)	0	252	0
<b>Grand Total:</b>	<b>0.0</b>	<b>0.0</b>	<b>(108,676)</b>	<b>0</b>	<b>252</b>	<b>0</b>